

Agricultural Energy Subcommittee
Air Quality and Agriculture Advisory Committee

Synopsis of March 5, 2003, Meeting

1. Update on Electrical Rate Issues for Irrigation Pumps

- Michael Boccadoro (Agricultural Energy Consumers Association) discussed the efforts underway to eliminate or significantly reduce the fixed (demand and monthly) charges for agricultural users of electricity so that electric motors will be more economically attractive than diesel-fired engines for irrigation purposes.
- He is working with Senators Florez (SB 703), Sher, and Bowen to address this issue, and he also recommends working directly with the PUC, as it can unilaterally take action on the fixed charges.
- Mr. Boccadoro has discussed this issue with PG&E and Southern California Edison. He told them that his intent was to keep them whole (i.e., their lost ag revenue would be replaced elsewhere). They indicated that they would not oppose legislation.
- There was consensus that the ARB should send a letter addressed to all five PUC commissioners.
- Mr. Boccadoro is working on a cost analysis of electrifying irrigation pumps, and the ARB is addressing the number of pumps and their associated emissions.
- Everyone in attendance agreed that there is a need to establish one set of numbers for emissions and number of engines to ensure consistency.
- U.S. EPA's proposed rulemaking that would classify new stationary diesel engines as Title II sources (off road) instead of Title V sources (which require a permit)—coupled with their EQUIP program, which has \$12 million of incentives to replace engines—will almost certainly result in an immediate rush to replace older engines with newer engines. The subcommittee members are concerned with this possible impact because, given more time to address the agricultural electricity costs, there is a reasonable expectation that the diesel engines could be replaced with electric motors.

2. Biomass Issues

- There is concern that the biomass facilities, despite the subsidies that have been provided to them to take agricultural biomass, are not taking their required

amount of field waste. Biomass facilities are collecting the funds and acquiring biomass from other sources, especially urban waste.

- The agricultural industry expressed their disappointment that the biomass industry has not worked with them to date.

3. Air Quality and Agriculture Advisory Committee

- The next Air Quality and Agriculture Advisory Committee meeting will be April 8, 2003, in Modesto. Representatives from the biomass and wood-chipping industries will be invited to make short presentations.

ACTION ITEMS:

1. ARB staff will develop estimates for number of engines and emissions, and provide copies to the subcommittee for review. A follow-up conference call will be set-up to discuss comments.
2. Subcommittee participants are to review and submit any comments on the suggested letter to the PUC, to ARB staff. Comments should be directed to Peter Venturini (pventuri@arb.ca.gov) or Mike Tollstrup (mtollstr@arb.ca.gov) by March 24, 2003.
3. Matt Summer will invite a representative from the California Biomass Consortium to make a brief presentation at the April 8, 2003 Agriculture Advisory Committee Meeting.
4. Shirley Batchman will invite representatives from the biomass and chipper industries to make a brief presentation at the April 8, 2003 Agriculture Advisory Committee Meeting.
5. ARB staff to contact Mike Boccadoro to determine if additional assistance can be provided to help with the economic analysis being performed by hired consulting company.